

Valles Caldera Board of Trustees
Minutes of the Public Meeting - August 12, 2005
Walatowa Visitor Center
Pueblo of Jemez, New Mexico

Board Members Present

Tracy Hephner, Chairperson
Barbara Johnson, Vice-Chairperson
Larry Icerman, Secretary
John Caid, Member
Raymond Loretto, Member
Gilbert Zepeda, Member

1. Review and Approval of Agenda

The following changes were made to the agenda: an executive session was added at end of public meeting and the discussion of the National Environmental Policy Act (NEPA) will precede the discussion of the grazing programs for 2006.

Barbara Johnson moved to amend the agenda to reflect the above changes and approve the agenda as amended, which was seconded by Ray Loretto and passed unanimously.

II. Review and Approval of the Minutes of the May 25, 2005, Meeting

Larry Icerman proposed a number of amendments to the minutes of the May 25, 2005, meeting as follows:

- paragraph I.c. should read “Meeting minutes to be approved are January 28, 2005;”
- paragraph II. should read “Review and approve meeting minutes from January 28, 2005;” and
- a new sentence should be added to Paragraph VII reading “The Board formally thanked former Chairperson Bill deBuys for his leadership in shepherding this work to completion.”

Chairperson Hephner moved to approve the May 25, 2005, meeting minutes with the amendments proposed by Larry Icerman. The motion was seconded by Barbara Johnson and passed unanimously.

III. Executive Director’s Report

Director Powell expressed his appreciation to Senators Domenici and Bingaman for their support of the Preserve, the most recent manifestation of this being a supplemental \$1.5 million appropriation. Senator Domenici’s Chief of Staff, Steve Bell, recently spent one-half day, accompanied by Veronica Rodriquez of Senate Domenici’s Santa Fe staff, with Preserve staff and Board members. As the result of legislative changes proposed by Senator Domenici, the cost of fighting fire on the Preserve in the future will be covered by the U.S. Forest Service fire-fighting budget. The Senator has also agreed to investigate the Trust’s access to liability

coverage for the Preserve through the general risk pool for the Federal government. Senator Domenici has also expressed his support for the Trust obtaining a separate line item in the Department of the Interior Appropriations Bill rather than being included under the appropriation for the U.S. Forest Service. The language in the allocation of highway funds will be adjusted to allow the use these funds to improve roads within the Preserve, not just on public roads such as Highway 4.

Director Powell noted that a new fiscal year starts October 1 and the Trust is making adjustments to the financial systems to ease the tracking of expenditures of appropriated funds. Director Powell also pointed out that the audit report being prepared by the General Accountability Office (GAO) should be completed in the fall.

Director Powell reported that GeoProducts of New Mexico has filed with the Trust a request for access to the existing geothermal wells on the Preserve. Senators Domenici and Bingaman have sponsored Senate Bill 212, which will resolve the minority mineral rights claim. The bill has passed successfully through the Senate and is now ready for consideration by the House of Representatives. Director Powell expressed thanks to all our neighbors and the Senators for their attention, collaboration and support.

John Caid asked what will be needed to obtain a separate appropriations line item. Director Powell responded that Senator Domenici's office has indicated that it is a relatively simple process that should move forward quickly.

Larry Icerman asked if the intended language to allow use of highway funds for the interior roads on the Preserve actually was included in the recently passed Transportation Bill. Director Powell responded that he did not know.

Chairperson Hephner asked if there were any questions from the public. Christopher Toya of Jemez Pueblo asked if the upcoming mountain bike event was to be held on established roads or on trails. Chairperson Hephner pointed out that the event would take place on existing roads only, and that the roads had been archaeologically cleared. Director Powell corroborated and mentioned that this is a low-impact way for families to enjoy the Preserve and that large numbers of people experience the Preserve by participating in this event, thereby becoming vested in the Preserve's continued operation.

Roger Snodgrass of the Los Alamos Monitor asked about the potential move of the Trust offices. Director Powell explained that the Trust's lease expires in December 2005 and that the Trust needs to find other space within budget constraints. The current rental rate is about \$14.50 per square foot and that office space in Los Alamos can be as high as \$27 per square foot. Therefore, at the Board's direction, the Trust has been looking at property in adjoining communities. A decision is expected to be made in the near future.

IV. Financial Report

Dennis Hazlett, Chief Administrative Officer, reviewed the financial reports provided to the Board. Larry Icerman asked if it going to be possible going forward to format these statements

at month end rather than mid-month? Mr. Hazlett responded that these statements were presented as of August 11 to give the most up to date information. Moreover, several adjustments on outstanding obligations had been accomplished since the first of the month of which Mr. Hazlett felt the Board would want to be informed. Mr. Hazlett assured Mr. Icerman that it would be possible to present month-end data going forward.

David Ortiz asked how much of the Trust's self-generated revenue comes from grazing fees. Dennis Trujillo answered that grazing fee revenues amount to roughly \$30,000.

Mr. Hazlett described the changes in personnel in the financial staff of the Trust in the past few years as background for hiring an accounting technician with considerable experience and expertise in the Trust's financial systems. A decision memorandum was presented to the Board, the content of which Larry Icerman deemed as being inappropriate for the Board to take action on in a public meeting because personnel issues were being addressed, although the general intent of the memorandum was acceptable.

Larry Icerman raised a number of financial issues as follows:

- an annual operating budget for Fiscal Year 2006 should be prepared, which would ideally be ready for review and approval at the next Board meeting;
- the Trust should begin thinking about a budget for Fiscal Year 2007 now so that the Trust is well prepared provided that a separate item request becomes a reality;
- the annual operating budget should be prepared in the form of three separate budgets in accordance with the various sources of funds and also as a consolidated budget; and
- the Trust should move away from budgeting treasury account funds for recurring expenses because these funds may be needed to meet the goal of financial self-sufficiency.

Ray Loretto asked if the appropriation is currently in the form of a line item budget. Mr. Hazlett responded that the Trust's budget is a hybridized piece of the Department of the Interior budget, beginning with a \$968,000 line item request in the U.S. Forest Service budget. In the past several years, the Trust has ended up with an appropriation of about \$3.6 million as a result of increases during the appropriations process, but the process is cumbersome. The Forest Service is not inclined to support a budget request beyond \$968,000 because the difference becomes effectively subtracted from the budget request allocated to the Forest Service. The Trust has worked through Senator Domenici's office to get that budget request increased, but the Office of Management and Budget (OMB) frowns upon this practice. The Trust needs to get to the point where a budget request is able to be submitted to OMB that supports the Trust's needs and then simply support that request through the appropriations process directly.

John Caid pointed out that Dennis Hazlett had just stated that Treasury funds were what the Trust is now utilizing for general operations. Therefore, the Trust should wait until next fiscal year to exclude those funds from the annual operating budget.

Bob Cunningham of the U.S. Forest Service interjected as a public comment that the Trust should spend time with the OMB examiner and use that input as guidance as to what steps to take with regard to budget requests for future years.

John Caïd suggested that the budget should be presented programmatically. Director Powell stated that the Fiscal Year 2005 operating budget was broken down into programs, but that expenditures were hard to track in this format.

Larry Icerman moved to direct the Executive Director to prepare for review by the Board of Trustees at its September 6, 2005, meeting an operating budget for Fiscal Year 2006 for the Congressional appropriation; provided that, the allocation to all salaries and benefits not exceed 40% of the total. No funds from the treasury account shall be budgeted for any purpose for Fiscal Year 2006. Separate budgets shall also be prepared for the funds appropriated in the Transportation Bill and in the supplemental appropriation for special projects. This motion was seconded by Barbara Johnson.

During the discussion of the motion, a friendly amendment was proposed to delete the reference to the limitation on budgeting funds from the treasury account. Larry Icerman accepted this friendly amendment. Accordingly, the motion was restated as:

A motion was made to direct the Executive Director to prepare for review by the Board of Trustees at its September 6, 2005, meeting an operating budget for Fiscal Year 2006 for the Congressional appropriation; provided that, the allocation to all salaries and benefits not exceed 40% of the total. Separate budgets shall also be prepared for the funds appropriated in the Transportation Bill and in the supplemental appropriation for special projects. This motion passed unanimously.

The Board discussed reinstating the Finance Committee and possibly forming other standing committees. Since new officers of the Board will be elected in September, Chairperson Hephner suggested that any action on this issue be postponed until the September Board meeting.

V. Amendments to the Bylaws

Chairperson Hephner commended Larry Icerman for his diligent work in making numerous changes to the Bylaws. Larry Icerman explained that much of the work was a simply cleanup of language, which had become outdated. More substantive changes included permitting the offices of the Trust to be located in communities other than Los Alamos or Santa Fe, clarifying that Trustees could be compensated for professional services provided to the Trust beyond their service on the Board of Trustees, clarifying the conditions under which an executive session could be called and emphasizing that all decisions related to the management of the Preserve must be made in a public meeting, clarifying the requirements for establishing a quorum, changing the election of Board officers to the September public meeting and the term of office to begin on October 1 to align the term with the Trust's fiscal year, and acknowledging the authority of the Trust to acquire liability insurance from private providers

Marty Peale, Coordinator of the Valles Caldera Coalition, asked whether a management action related to the Preserve could be proposed and voted on at a single public meeting or whether such an action would be proposed and then voted on at a subsequent public meeting to allow

time for public comment. Larry Icerman responded that the revised Bylaws were silent on this matter.

Larry Icerman made a motion to adopt the amended and restated Bylaws. The motion was seconded by Ray Loretto and passed unanimously.

Marie Rodriguez and Bob Cunningham made a presentation on NEPA and, particularly, the Trust's NEPA procedures.

VI. Grazing Programs for 2006

Chairperson Hephner stated that the grazing program is an interim program previously authorized under an Environmental Assessment (EA). Since this EA expires on December 31, 2005, some further action will be needed to operate a grazing program in 2006.

Larry Icerman made a motion to direct the Executive Director to prepare no later than December 31, 2005, a supplement to the current grazing Environmental Assessment by including monitoring data collected to date for the purpose of supporting the determination of a livestock grazing program on the Preserve for the 2006 season. The motion was seconded by Barbara Johnson.

The motion was discussed in considerable detail.

Following this discussion and clarification, the motion was passed unanimously.

VII. Environmental Impact Statement for Forage Utilization

Larry Icerman made a motion to direct the Chairperson of the Board of Trustees, as the responsible official, to bring to the Board for further consideration at its September 6, 2005, meeting a purpose and need statement for the initiation of a mid-term forage management plan to support the development of an environmentally responsible and financially sustainable livestock grazing program for the Preserve for the 2007 season and beyond. The motion was seconded by John Caid and passed unanimously.

VIII. Adjournment

Ray Loretto made a motion to adjourn the meeting, which was seconded by Gilbert Zepeda and passed unanimously.

Approved on November 17, 2005.

Respectfully submitted by Larry Icerman, Secretary.